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Service Plan of the Division of Purchasing and General Services

Fiscal Year 2016

The Division of Purchasing and General Services consists of the state cooperative contracting program, purchasing and contracting on behalf of executive branch state agencies, the State Mail and Distribution Program, and State Digital Print Services, and the State Print Services Center. The mission of the Division of Purchasing and General Services is to deliver products and services of the highest quality and best value. All of the programs within the Division of Purchasing and General Services are funded as an internal service funds with a small appropriation from the general fund. Recognizing the efficiency and cost savings associated with having the Division of Purchasing administer the state's cooperative purchasing program, in 2010 the Legislature authorized the Division of Purchasing to charge up to a 1% administrative fee to fund the work performed by the Division of Purchasing in administering the state cooperative contract program. Note that the Division of Purchasing does not receive any Legislative appropriated funding to administer the state cooperative contracting program. The remaining internal service funds charge the end users for the services and products. This Service Plan is prepared in compliance with Section 63A-1-111.

What are the services we provide?		What are the methods used to provide each service?	What are the standards of performance for each service?	What performance measures are used to gauge compliance with the standards?
1. Purchasing Services	a) State “Best Value” Cooperative Contracting Program			
	<p>State “Best Value” Cooperative Contracts are used for commonly needed goods and services by state agencies, schools, higher education and local governments throughout the state.</p> <p>In 2011, the Utah Legislature authorized the Division to charge an “up to 1%” administrative fee on the State “Best Value” Cooperative Contracts in order to convert the Purchasing Section of the Division to an Internal Service Fund. Currently, the administrative fee is less than 0.4%.</p> <p>NOTE: This conversion has resulted in the elimination of the so-called Cooperative Purchasing Services section previously contained in the Service Plan.</p>	<p>The division coordinates the procurement process and subsequently manages over 750 state cooperative contracts. The State “Best Value” Cooperative Contracting Program saves public entities between \$160 million to \$320 million through lower prices achieved by volume discount pricing resulting from bringing together the purchasing power of all public entities in the state. Savings also occurs through reduced personnel costs incurred by public entities. Estimates show that cities, counties, school districts, colleges and universities, and services districts save approximately \$21 million per year in reduced personnel costs because the Division of State Purchasing conducts a single procurement in their behalf, opposed to each public entity in the state conducting thousands of individual separate procurements. These contracts are available on the division’s website and some of the contracts include the capability for electronic ordering.</p> <p>We produce a newsletter that provides updates and information about the contracts.</p>	<p>In December of 2014 the Legislative Auditor General’s Office issued a detailed and extensive audit report documenting that state cooperative contracts save tax dollars and provide fair access and competition to Utah vendors.</p> <p>Currently, the State “Best Value” Cooperative Contracting Program manages over 700 state cooperative contracts, representing hundreds of vendors and over \$1.6 billion in sales for and in behalf of public entities in Utah.</p> <p>The Program also saves vendors money – much more than the small administrative fee they pay. Vendors on a state “best value” cooperative contract save money by not having to prepare thousands of bids and proposals in order to contract with all public entities in the state. Instead, vendors prepare one bid or one proposal in response to the single bid or RFP issued by the Division of Purchasing. Vendors are also spared the administrative expense associated with managing individual contracts with thousands of separate public entities throughout the state. Vendors on state contract have the opportunity to significantly increase their sales through the Division of Purchasing’s state cooperative contracts. Because thousands of public entities buy from these contracts, vendors on state contract have access and make sales to public entities that they otherwise would not have.</p>	<p>% of Voluntary Usage on Statewide “Best Value” Contracts.</p> <p>Spend on Statewide “Best Value” Contracts.</p> <p>Benchmarking Results.</p> <p>Survey Results.</p>

1. Purchasing Services, continued	b) Agency Specific Procurements			
	<p>These procurements include both competitively obtained and sole source negotiated procurements resulting in agency specific purchase orders and agency contracts.</p>	<p>The Utah Procurement Code establishes the Division as the “Issuing Procurement Unit” for all executive branch procurement units without independent procurement authority. This designation, in addition to numerous other responsibilities, means the division is responsible for reviewing agency solicitations to verify they are in proper form; causes the notices for solicitations to be published; review and negotiate the terms and conditions of contracts.</p> <p>We coordinate the interchange between suppliers and the end users. We oversee the procurement processes. We review evaluation committee scores, correct any errors, scoring inconsistencies and calculate cost scores. We supervise and coordinate the writing and analysis of contracts from both procurement and a legal perspective. We ensure the fair and equitable treatment of all persons dealing with the procurement system of the state and foster effective broad-based competition within the free enterprise system.</p> <p>We oversee an electronic purchasing system that we have outsourced to BidSync to coordinate the electronic distribution and electronic receipt of bids, RFPs, RFQs and other purchasing methods.</p> <p>We have a staff of professional purchasing agents, procurement officers and managers who perform market analysis, benchmarking, and develop strategic sourcing methods to effectively and efficiently provide best value goods and services to our customers. We employ a skilled contract analyst team to coordinate the legal review and negotiation of legal terms associated with the varied contracts administered by the division.</p> <p>We train public purchasing professionals throughout the state, sponsored through our membership in the National Association of State Procurement Officials (NASPO). These quarterly trainings bring together over a hundred public procurement professionals from across the state representing, state agencies and all other political subdivisions.</p>	<p>Timely procurement and contract processing and execution services.</p> <p>Competitively procured State “Best Value” Cooperative Contracts.</p> <p>Agency procurements that fulfill the requirements of the agencies.</p> <p>Procurements should be error and mistake free.</p> <p>All agency procurements should be issued and conducted in a manner that ensures full compliance with the Utah Procurement and Administrative Rules.</p>	<p>Processing Time (SUCCESS Formula). Survey Results.</p>

	<p>Digital Print Services offers walk-up copying services to state agencies. Included in the service is a copier that meets the agency's immediate and long term requirements and specifications. Full service maintenance is provided through the copier manufacturer or its local representative. Digital Print Services also provides all copier consumables, if desired.</p>	<p>When an agency subscribes, the program purchases and installs the copier(s), provides the required supplies, trains the staff on copier operation, and assures that the copier is well maintained.</p> <p>The principal advantages of the program are that all costs are paid from the agency's operating budget based on a cost per copy. A reliable copier is placed; the agency is relieved with the responsibility of the challenge and paper work of establishing maintenance contracts and ordering supplies. The benefits include improved agency staff morale, reduced copying costs and excellent service.</p>	<p>Service Rate Competitiveness.</p> <p>Rates are benchmarked against the private sector and other governments.</p>	<ul style="list-style-type: none"> • Survey Results. • Customer Account Renewal Rate for copiers; percent of customers that renew • Number of new accounts • Capacity utilization of leased copiers: percent of copier capacity utilized. • Internal Service Fund Breakeven Ratio
b) Print Service Center				
	<p>Print Services manages the outsourced contract with Xerox Corporation to provide high speed copying services. All high speed copying and finishing services are provided to agencies through this contract. Xerox produces this work primarily at the Capitol Print Center.</p>	<p>The consolidated print center provides black and white, color high speed copying and finishing services. Free pick-up and delivery are available for those jobs in hard copy form and completed print jobs. Print jobs are also transmitted to the center electronically.</p>	<p>Service Rate Competitiveness.</p> <p>Rates are benchmarked against other private sector providers and other governments.</p>	<ul style="list-style-type: none"> • Survey Results • Print Mistakes • Internal Service Fund Breakeven Ratio

3. State Mail and Distribution Services	Incoming and Outgoing Mail Services			
	State Mail and Distribution Services is a full service mail processing and distribution agency. Our mission is to provide a cost effective and comprehensive mail and distribution support system for our customer agencies. Our goal is to assist all agencies and political subdivisions in taking full advantage of the state's postage and freight discount programs and to assist them to minimize their mail finishing costs. This is achieved through extensive automation, consolidation, and on-going training efforts.	Services include picking-up, sorting and delivering inbound United States Postal Service mail, interagency mail, outbound United States Postal Service mail and special service inter-agency delivery of forms, supplies and parcels. State Mail offers state of the art inserting, folding and associated services. In addition, our customers benefit from our trackable inter-office delivery service (MailTrac), which provides proof of delivery.	Service Rate Competitiveness. Rates are benchmarked against other private sector providers and other governments.	<ul style="list-style-type: none"> • Survey Results • Costs Saved vs Could Have Saved. • % of Presort Mail • Benchmark • Internal Service Fund Breakeven Ratio